



DEPARTMENT OF TRANSPORTATION

Maritime Administration

Acceptance of Applications for the Award of Two Maritime Security Program Operating Agreements

AGENCY: Maritime Administration, Department of Transportation.

ACTION: Notice of application period for the Maritime Security Program.

SUMMARY: The Maritime Administration (MARAD) is issuing this request for applications for eligible vessels to enroll in two Maritime Security Program (MSP) Operating Agreements, subject to the availability of appropriations, in accordance with the provisions of the Maritime Security Act of 2003, Public Law 108-136, div. C, title XXXV, as amended by Section 3508 of the National Defense Authorization Act for Fiscal Year (FY) 2013, Public Law 112-239 (NDAA 2013). The MSP maintains a fleet of active, commercially viable, militarily useful, privately owned vessels to meet national defense and other security requirements and to maintain a United States presence in international commercial shipping. This request for applications provides, among other things, application criteria and a deadline for submitting applications for vessel enrollment in the MSP.

DATES: Applications for the enrollment of two vessels must be received no later than

[INSERT DATE 30 BUSINESS DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Applications should be submitted to the address listed in the

ADDRESSES section below.

ADDRESSES: Application forms and instructions are available on the MARAD website at <http://www.marad.dot.gov/ships-and-shipping/strategic-sealift/maritime-security-program-msp/>.

Applications shall be addressed to the Director, Office of Sealift Support, Maritime

Administration, Department of Transportation, Maritime Administration, 1200 New Jersey Avenue, SE, W25-310, Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: William G. McDonald, Director, Office of Sealift Support, Maritime Administration, (202) 366-0688. For military utility questions, call Mr. Tim Boemecke, United States Transportation Command (USTRANSCOM), (618) 220-1452.

SUPPLEMENTARY INFORMATION: Section 53102(a) of Title 46, United States Code, directs the Secretary of Transportation (Secretary), in consultation with the Secretary of Defense (SecDef), to establish a fleet of active, commercially-viable, militarily-useful, privately-owned vessels to meet national defense and other security requirements. Payments to participating operators are subject to the availability of appropriations and are limited to the following amounts: \$3.5 million per ship for FY 2016, \$4.99995 million per ship for FY 2017, \$5.0 million per ship for FY 2018 through 2020, \$5.233463 million per ship for FY 2021, and \$3.7 million per ship for FY 2022 through FY 2025. Consistent with the National Security Requirements section below, participating operators are required to make their commercial transportation resources available upon request by SecDef during times of war or national emergency.

Application Criteria

The NDAA 2013 amended the procedures in 46 U.S.C. 53103(c) for awarding new MSP Operating Agreements. Namely, it established a revised priority system whereby applications would first be evaluated on the basis of vessel type, as determined by Department of Defense (DOD) requirements, with secondary consideration then provided to the citizenship status of the applicant.

Vessel Requirements

Acceptable vessels for these MSP Operating Agreements must meet the requirements of 46 U.S.C. 53102(b) and 46 CFR 296.11. In addition, the Commander, USTRANSCOM, has established DOD general evaluation criteria on the military requirements for eligible MSP vessels. Priority consideration, consistent with the requirements of 46 U.S.C. 53103(c), will be given to applications providing for enrollment of the following vessel types in order of priority:

1. Roll-On/Roll-Off (RO/RO) Vessels
2. Multi-Purpose/Heavy Lift Vessels
3. Geared Container Ships
4. All other vessel types, which will be considered after all applications for the above listed vessels types have been reviewed.

For each individual application, the offered vessel's class society vessel-type designation will serve as the primary factor in determining the priority category in which the vessel is placed.

National Security Requirements

Successful applicants will be required to enter into an Emergency Preparedness Agreement (EPA) pursuant to 46 U.S.C. 53107. The EPA incorporates the terms of the Voluntary Intermodal Sealift Agreement (VISA), available in 79 FR 64462 (October 29, 2014).

Documentation

Vessels must be documented in the United States under 46 U.S.C. chapter 121 prior to being eligible for MSP payments. Further, proof of U.S. Coast Guard vessel documentation and all relevant charter and management agreements must be approved by MARAD before the vessel will be eligible to receive MSP payments. If a vessel being considered is not currently under U.S. documentation, MARAD requires information regarding the time line proposed that would bring the vessel under U.S. Coast Guard documentation.

Vessel Operation

Vessels under MSP Operating Agreements shall be operated exclusively in foreign commerce as defined in 46 U.S.C. 53101(4) or in permissible mixed foreign commerce and domestic trade as provided by 46 U.S.C. 53105(a)(1)(A).

Prior Applicants

Applicants who previously responded to MARAD's November 27, 2015, Notice of Application Period for the Maritime Security Program, 80 FR 74209 (November 27, 2015), that wish to submit the same vessel(s) for consideration may do so by submitting a letter expressing their intention and providing any updated information and documentation.

Award

MARAD does not guarantee the award of MSP Operating Agreements in response to applications submitted under this Notice. In the event that no awards are made or an application is not selected for an award, the applicant will be provided with a written reason why the application was denied, consistent with the requirements of 46 U.S.C. 53103(c).

Protection of Confidential Commercial or Financial Information

If the application includes information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant should do the following: (1) Note on the front cover that the submission "Contains Confidential Commercial or Financial Information (CCFI)"; (2) mark each affected page "CCFI"; and (3) highlight or otherwise denote the CCFI portions. MARAD will protect such information from disclosure to the extent allowed under applicable law. In the event MARAD receives a Freedom of Information Act (FOIA) request for the information, procedures described in the Department's FOIA regulation at 49

CFR 7.29 will be followed. Only information that is ultimately determined to be confidential under that procedure will be exempt from disclosure under FOIA.

(Authority: 46 U.S.C. 53102 and 53103; 46 CFR 296.24; 49 CFR 1.92 and 1.93)

By Order of the Maritime Administrator

Dated: September 28, 2016.

T. Mitchell Hudson, Jr.

Secretary, Maritime Administration.

[FR Doc. 2016-23823 Filed: 9/30/2016 8:45 am; Publication Date: 10/3/2016]